The Well - Board of Directors meeting - July 15, 1991

By-laws are to be amended to allow for 8 directors, and Bruce Katz was elected to the 8th seat.

Kelly suggested that Cliff will keep Bruce updated on Well business monthly. If Bruce is not available by phone (e.g. during August), he should speak with Claudia and/or John Hallett. Cliff will also send E-mail of discussions online that relate to Well business.

Resolution regarding supermajority items requiring shareholder vote: The resolution was passed, with the exception that employment contracts with salaried employees will be excluded from item (j). Eliot and Claudia to confer about whether the amendment must be made to the Articles of Incorporation or whether a by-law amendment will suffice.
{Post meeting: Attorneys advise that Corporation Code provides that any provisions requiring vote of shareholders will be set forth in the Articles. (Section 204.a9)}

Regarding shareholder votes, need to determine who will vote for Point if Kelly is not available. Since Rosewood shares are held corporately, Claudia can vote if Bruce is unavailable.

Cliff will make available data on the revenues received and usage of E-mail versus conferencing in order to better understand customers' needs.

Technical needs: The E-mail system should have a "message received" acknowledgment.

Agenda for next meeting:
Plan executive retreat in 6 months or so.

Tax planning committee: will study ways to reduce corporate taxes, which are currently projected at 50K for the year.
Committee is John Hallett, Eliot Fabric, and Mike Willen

Administrative action: Get pre- approval of credit cards to shorten the exposure time on accounts which have been closed and cards that have expired. (Note, however, that bad debt is within a reasonable range for this business.)

Technical director: Mike Willen will work with Cliff on short-term solutions to the current technical problems, as well as developing a job description for new engineer and interviewing top three candidates. Mike Willen also indicated his willingness to aid Cliff in any technical emergencies as they may arise.

Bonus arrangement for Cliff was confirmed for second quarter. For the third quarter bonus will be based 50% on the numbers and 50% on qualitative matters (e.g. uptime). Cliff will write a memo to the Board indicating what he believes are the objectives against which he should be measured.

John Coate will develop a standard exit interview for cancelled accounts. Also study how much these people were using the Well, how long they had been on, what the lost revenue is, and consider ways to recapture. For example, all those who cancelled due to recent technical difficulties should receive a follow up call after a letter goes out to all accounts with information on curative steps that have been taken.

The marketing budget was approved, and both Bruce and Kelly suggested that, if marketing wanted to spend $10,000 more, they would be agreeable.

Texlink conferencing in Austin, Texas. Discussions on this were tabled to the next meeting. Although it was suggested that the consulting arrangement would <u>only</u> be interesting if the Well were to receive a percentage of gross revenues (4%) rather than equity. Payment for our consulting time would also be practical request. However, it is not clear that we want to subsidize other conferencing services.

It was agreed that the technical integrity of the Well is of such paramount importance that immediate steps must be taken to insure the system is "bulletproof". Improvements should be effective, not necessarily inexpensive. A special meeting will be held on September 7, 9:30 a.m. to review the steps that have been taken to fix current problems.

ROSEWOOD STONE GROUP

7/16/91

To: Kelly Teevan
Cliff Figallo

I wanted to give you both my notes from the meeting, in case they are helpful to you.
My general scheme is only to include "action items"

Claudia

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